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OPENING STATEMENT BY THE PRIME MINISTER
TO THE FEDERAL-PROVINCIAL CONFERENCE ON HOUSING
AND URBAN DEVELOPMENT
OTTAWA, DECEMBER 11, 1967

The Urgency

The Federal Government has called this conference because urbanization with all its problems has become the dominant social and economic condition of Canadian life.

The organization, structure and amenities of our cities already have far-reaching implications affecting the opportunity of the Canadian individual and his family to enjoy a good life.

The need to improve access for the individual and the family to this opportunity in our urban environment has become one of the most urgent challenges confronting every level of government in this country.

The broad facts and forecasts about urban growth are well known to all of us.

- Almost three-quarters of our population now live in cities and towns.
- By 1980 nearly two-thirds of all Canadians will live in 29 major urban communities; one-third will live in Montreal, Toronto or Vancouver.
- At least 500,000 acres of new land, including much of our best farm land, will be needed to accommodate the physical expansion of these 29 urban centres by 1980; three or four times that much if we don't make more efficient use of land in the future.

Why has this trend developed with such force?

Put in its simplest economic terms, the reason is that it pays better to live in a city.

Put in its simplest social terms, people like to be where the action is and most of the action is in the city.

The Fourth Review of the Economic Council of Canada pointed out in a study of 1961 census data that:

- Average family income in our metropolitan areas was more than 25 per cent higher than in the smallest urban centres, and roughly 50 per cent greater than non-farm family income in rural districts.
- If you lived in our biggest cities, you earned about 20 per cent more than if you lived in a city with a 10,000-to-30,000 population.

Despite social pressures created by our exploding urban growth, this very growth attests to the success of the larger city as an effective form of community and economic organization.

In any event, it is far too late for any level of government in Canada to tell people to go back to the farm and enjoy a life more rewarding in other ways.

The challenge confronting us all then is how our cities, bound to intensify their pervasive impact on all aspects of Canadian life in the future, may be designed to be as satisfying for a good life as they are effective for better living.

To facilitate these enriching social aspirations along with our economic objectives for stable economic growth, we must plan for the human and civilizing requirements of urban environment as well as provide for adequate housing for everyone.

Although every level of government has had its failures in this increasingly vital area of our national and local life, fortunately we still have time in Canada to correct our mistakes and to avoid repeating them in the future.

It is still open to us to build excellence as well as affluence into our urban environment.

We will only achieve this, however, if we have the wisdom and the will to co-operate at all levels of government.

Problems of Urbanization

The problems of urbanization are as complex as they are important.

More money alone is not the answer, essential as this is to housing and other aspects of urban development.

Nor can housing any longer effectively be treated as a problem in itself.

Our policies must be made flexible and adaptable enough in future to deal with the total urban environment, so that urban residents will be able to live in harmony with their surroundings.

The mounting deficiencies of our cities and the heavy backlogs of essential improvements, about which a recent Economic Council Review warns us, are easy to identify:

- There is not enough housing and too much of what we have remains inadequate for decent living.
- There is already too much crowding and too little privacy for individuals and families in urban Canada.
- The traffic and transportation problems in our urban communities are already barely under control; the daily journey from home to office and return is becoming longer, more time-consuming and more frustrating to the individual traveller.

Why reduce the air time from Montreal to Toronto to 30 minutes and do nothing about the hour it takes you to go from the airport to your home?

- As the size of the city increases, so does the pollution of the air its residents breath. Fresh air is becoming foul air and pure water for drinking and recreation is becoming contaminated.
- The individual's need for order, and harmony and beauty in his urban environment is increasingly frustrated by - to use the words of the Economic Council - "The confused jumble of conflicting land uses, decaying neighbourhoods and monotonous suburbs."
- The urban family, caught in the spiral of social disorganization and despair so often created by urban poverty, is perhaps the most urgent of all the challenges involved in managing our urbanization more effectively.
Even when there is no poverty, the self-sufficiency and solidarity of the family is endangered by modern urban living, with its loss of living space within the home and recreational space outside.

On the economic front, perhaps the most difficult problem of today's urban environment is the rising cost of land and the urgent need is devising ways to develop and market urban land more cheaply.

At the base of so many of these urban problems, are the limitations on municipal tax resources and the often-confusing, frequently-overlapping intricacies of municipal organization.

The Economic Council has pointed out that the 1961 census listed only 18 metropolitan areas or large city complexes of 100,000 people and over.

Yet within these areas were some 260 separate municipal government jurisdictions, together with an additional number of semi-independent single-purpose special authorities such as school boards, water boards, transit and utility commissions, and sewage districts.

The complicated structure of municipal government often hinders the development of the right kind of urban environment.

The Federal Government recognizes that the primary jurisdiction in this field of housing and urban development lies with the provincial and municipal governments.

Only the provincial and municipal governments have the authority to reform municipal taxation.

Only the provincial governments have the authority to introduce comprehensive regional planning processes that can take into account not only housing needs but all of the needs of the total urban environment.

Only the provincial and municipal governments have the authority to introduce into the design of urban Canada more community facilities, such as public housing, parks, playgrounds and recreation centres, which make for better urban living.

Only the provincial and municipal governments have the authority to make more comprehensive and effective use of existing public capital, such as schools and their grounds, parks and other civic facilities, as neighbourhood centres for the whole community.

The Federal Government recognizes and respects the limitations on its own jurisdiction in the field of housing and urban development.

But the urban environment is now of such fundamental importance to every aspect of Canadian life, including the health of the whole nation and its economy, that local problems in all areas of the country collectively present a national problem which clearly concerns the Federal Government.

Moreover, the Federal Government has a primary responsibility for managing the national economy; for employment across the country and for encouraging productivity in Canadian industry.

Today these Federal responsibilities are interwoven with provincial responsibilities for urban development.

That is why the Federal Government has invited the Provinces to this conference as evidence of our willingness to discuss and, if possible, devise more effective means of co-operating with the other levels of government in meeting the challenges that confront us all.

The Federal Record.

The Federal Government's involvement in housing and urban development goes back 32 years.

In response to the needs and demands of Canadians, its role has increased until it has become the main provider of loans, grants or guarantees in financing a wide variety of programs.

The present National Housing Act has proven to be an important instrument in support of and co-operation with provincial and municipal governments for the development - and redevelopment - of virtually every aspect of the urban Canadian environment.

Although more must be done as resources permit, the Federal government has already done much to fulfil its responsibility.

During the past ten years the total Federal investment for privately-initiated housing has exceeded \$3.5 billion. And in addition to supporting home ownership and rental housing to be offered on the open market, the NHA provides a variety of financial aids for other forms of housing and related works.

Indeed, in its submission to the Government of Canada of November 6th, the Canadian Federation of Mayors and Municipalities recognized the usefulness for urban development of existing NHA provisions.

The Federation also recognized that initiative in using these provisions lies with the other levels of government.

The Tasks Ahead

Housing:

It would be useful if we could agree upon a satisfactory indicator of housing needs upon which all levels of government might base co-operative policies.

This would contribute a consistency to our planning in this field which is lacking at the present time.

No indicator is required, however, to underline these needs and that the production of an annual volume of housing adequate to satisfy them is of primary importance.

This requires co-operation at all levels of government.

But the goal cannot be met by numbers alone.

It also depends upon the geographic and income distribution of new housing throughout our national population.

National averages do not necessarily reveal how many well-to-do families each enjoy a four-bedroom home while too many poorer families are crammed into two or three inadequate rooms.

The prospect for housing production in 1968 is for a continuation of the improvement this year when we should have about 160,000 starts.

In addition to its own direct-lending programs, the Federal Government has since 1963 also helped by a number of steps to improve the mortgage market by encouraging more private money into housing.

These include:

- (1) Amendment to the Trust and Loan Companies Act to provide for higher ratio loans.
- (2) The establishment of the Deposit Insurance Corporation.
- (3) The Amendment to the Bank Act authorizing the chartered banks to make both NHA and conventional mortgage loans.
- (4) Virtual freeing of the NHA interest rate within the limits provided in the NHA.
- (5) The extension of NHA lending to existing housing.

There is evidence that these measures are increasing housing starts financed with private money, thereby freeing more public funds for public housing purposes.

It is true that housing costs have increased by about 50 per cent between 1951 and 1966.

This is more than for most other costs and must cause concern.

But the increase is a good deal less than the increase in incomes, which went up by 100 per cent during that period.

This increase in real income relative to housing costs should continue on any reasonable assumption about the stability and growth of the economy over the next five years.

Land costs, however, will be an increasingly significant and disturbing factor in housing costs, unless appropriate action is taken to reduce or at least limit further increases.

Urban Transportation

A viable and efficient system of transportation is an essential part of any urban environment.

Improvements in existing systems are vital to an improved urban society.

These cannot be made effectively by an individual municipality.

They must be made within the whole economic and social area to be served, and this area embraces many local governments.

The Federal Government appreciates that the authority for all this lies primarily with the Provincial Governments, but it is prepared to co-operate in improved planning for the solution of urban transportation problems.

Building Productivity

Last month the President of the Canadian Construction Association, which represents more than 1,000 leading companies in the construction industry, said that "at no time in our history has the effort to increase productivity and efficiency been of such importance."

That statement reflects the fact that increased efficiency in the construction industry has not been able to offset to a sufficient extent scarcities of skilled labour, wage increases and higher costs of materials, equipment and land.

In recognition of this basic need to increase efficiency in the manufacture and use of building equipment, accessories and materials, the Federal Government, in close co-operation with the various sectors of the construction industry and with representatives of organized labour, began last February developing the BEAM PROGRAM ("Program for Increasing Productivity and Efficiency in the Manufacture and Use of Building Equipment, Accessories, and Materials").

Provincial Government officials have been consulted about this program.

Joint committees consisting of representatives of industry, labour and government have been formed and are now actively developing and implementing various projects which will help the industry to increase its efficiency.

These will be discussed later at this conference.

Pollution

The Federal Government has recognized the desirability of a comprehensive approach to water resource management and intends to introduce legislation to provide a modern and flexible framework for federal action and federal-provincial co-operation in this field.

The proposed legislation is designed to ensure that problems of water pollution may be tackled both separately and where appropriate, in co-ordination with other pollution problems.

One of these is air pollution.

Air pollution, by dust, or smell or noise, constitutes a problem for any form of urban development.

Federal action now in progress includes:

- (1) Medical research on the effects of air contamination upon human health;
- (2) Preliminary work on the assessment of pollution through a sampling programme to be worked out in accord with federal-provincial arrangements;
- (3) Preliminary steps to determine acceptable standards of clean air and the means for controlling the emission of pollutants.

These are only some of the problems of urbanization - with housing, of course, the most immediate.

As I have already said, the Federal Government did not call this conference with any intention of encroaching on the jurisdiction of other governments in the search for solutions.

It would also be misleading to leave any impression that we are in a position to offer increased federal financial assistance at this time.

There is no more magic for solving our housing and other urban environment problems in the use of the federal tax mechanism than in the use of provincial taxing powers.

Indeed, it can be argued that there is more justification for using provincial taxing power for this purpose than for using the federal taxing power.

The use of the federal tax mechanism would inevitably mean that residents of the less urbanized areas, such as the Atlantic Provinces and the Prairies, would be contributing money to help the metropolitan areas - from which the bulk of our national income comes.

This does not mean, however, that there is no Federal interest or responsibility involved.

The Federal Government over the years, has made large investments in Canada's cities.

This year alone it has authorized Central Mortgage and Housing Corporation to make direct investments in housing and urban development of more than \$950 million.

It undoubtedly will continue to be a large investor in this vital national area.

While current and temporary financial difficulties will prevent the continuation of this aid in 1968 on the scale it was provided in 1967, this does not prejudice in any way our desire to seek, with you, more effective ways of using the resources that are available.

The essential first step is to find better means of co-operating at all levels of government in planning the best and most socially rewarding use of our collective public resources for future housing and urban development.

To this end we are considering four broad changes in Federal housing policy to be implemented - so far as the Federal Government is concerned - as and when our resources permit.

These are:

- Federal financial participation in comprehensive planning of our urban regions and in the advance acquisition of land for transportation corridors and open spaces for recreation and similar community purposes.
- Federal financial support for land assembly and development of comprehensively-planned new suburban communities within urban regions.
- Housing subsidy programs to serve as an integral part of other combined federal and provincial anti-poverty measures in "special areas", characterized by general poverty, lack of employment opportunities and slow economic growth. These would provide for selling as well as renting housing below cost in these areas.

- A more vigorous publicly supported program to assist growing families of modest means, many of whom require, not small apartments but three or four-bedroom accommodation and good community facilities within the reach of their moderate incomes.

All these proposals involve provincial government participation and so we will naturally be interested in receiving your views on them.

Advisory Committee on Housing and Urban Development

Before we can make any real progress toward an improvement in our urban environment, we must first improve the planning of that environment.

The need for such improved planning has already been widely recognized.

To help meet this need, I would like to propose the establishment, jointly by the Federal and Provincial Governments, of a Council on Housing and Urban Development whose functions, generally, would be to gather and publish comprehensive, objective, and regular assessments of housing and urban development needs across the country; to suggest priorities of need and plans to meet them.

The Federal Government is prepared to participate at once in the establishment and maintenance of such a continuing Council.

As I envisage it, the Council would comprise members drawn from a broad range of skills and experience in this field and appointed in a manner agreed to by the Provincial and Federal Governments.

You may have other ideas about its organization and, if so, we will welcome them.

To function effectively, the Council would undoubtedly require a full-time secretariat and research staff.

It should perhaps have regional offices as well as a central one.

The Council's mandate would, of course, have to be agreed with the Provinces.

It could provide - as I have said - for a continuing examination of the total design of urban Canada.

This would include studies and recommended action both on immediate housing and other community needs and on long-term policies for urban development.

The Council's studies - made available to municipal as well as to federal and provincial governments - could include investigations of specific as well as general problems and of local as well as provincial, regional or national conditions in the urban environment.

Summary

All of us, at all levels of government are now face-to-face with the challenge of massive urbanization.

To attempt to meet the challenge, a resolute, co-operative and forward-looking approach is required.

The nature and extent of federal participation in housing and urban development over a period of many years, together with the new ideas we are asking you to consider at this conference, are evidence of our desire to co-operate fully with provincial governments, first in providing more and better housing and then in ensuring better urban development generally.

If we plan the future design of our urban environment with courage, foresight and imagination, we can create in our expanding urban areas - not only adequate housing - but groups of communities that - to use words from a ten-year-old Royal Commission Report - "Have more to offer the human spirit than the spectacle of huge, monotonously regimented blocks of physical capital and rivers of nervous horsepower."

There is no reason why, in our cities, there should not be better buildings, more interestingly grouped; more parks and plazas, more places for gardens and outdoor recreation facilities, more theatres, concert halls, civic centres.

There is no reason why our urban communities should not be good to look at and pleasant to live in.

Indeed, there is no reason why we cannot make of our cities models of all that is best and most humanly satisfying in an urban environment.

After all, we have already proven our capacity to do this with the environment created at Expo '67.

There is no need to accept lesser aspirations for the future.

I believe there is a growing sense of confidence and pride in our achievements in Canada which found expression in our Centennial Year, in Expo '67 and in other great projects across the nation.

The best examples of our architecture are of world standard and illustrate our capacity to do things imaginatively.

They point to the future in the design of our urban environment.

It is time for Canada to set goals for our next hundred years; and to give world leadership in urban development.

We are happily endowed with great wealth and opportunity and we are young.

We are not encumbered by a heavy legacy from the past, and our problems do not have the magnitude or scale faced by many countries older than our own.

But the future is here beside us, not downstream, and we must make our arrangements now.

We have the talents and the imagination to build better cities than those we now possess, cities with adequate housing of which we can be proud and with the qualities of beauty and harmony and functional efficiency which man has sought through the ages.

The task will not be easy and will not be accomplished overnight.

I hope that this conference will make a new, important and co-operative stage in its accomplishment.

Laurier's dream for Canada may yet be realized if, in the twentieth century remaining, we meet the challenge for Canadian greatness in our urban growth - a challenge we cannot escape or ignore; a challenge we must face, whether in failure or success.

The opportunity is ours at this conference to plan for success.